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# **PRELIMINARY DRAFT**

## **No. 3035**

**PREPARED BY**  
**LEGISLATIVE SERVICES AGENCY**  
**2013 GENERAL ASSEMBLY**

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### **DIGEST**

**Citations Affected:** IC 5-10.3-12.

**Synopsis:** Public employees' defined contribution plan. Changes the definition of "normal retirement age" in the public employees' defined contribution plan (plan) to reduce the minimum number of years required for participation in the plan from ten years to five years. Requires a vested plan member to be separated from employment for at least thirty days before the member may make a withdrawal from the member's account.

**Effective:** July 1, 2013.



A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 5-10.3-12-14, AS ADDED BY P.L.22-2011,  
2       SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2013]: Sec. 14. As used in this chapter, "normal retirement  
4       age" for a member means the member is at least sixty-two (62) years of  
5       age with at least ~~ten (10)~~ **five (5)** years of participation in the plan.

6       SECTION 2. IC 5-10.3-12-26, AS AMENDED BY P.L.6-2012,  
7       SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8       JULY 1, 2013]: Sec. 26. (a) Subject to the provisions of the Internal  
9       Revenue Code applicable to qualified plan distributions, a member  
10      who:

11       **(1) terminates service in a covered position; and**

12       **(2) does not perform any service in a position covered by the**  
13       **fund for at least thirty (30) days after the date on which the**  
14       **member terminates service;**

15      is entitled to withdraw amounts in the member's account to the extent  
16      the member is vested in the account. A member must make a required  
17      withdrawal from the member's account not later than the required  
18      beginning date under the Internal Revenue Code.

19      (b) The member may elect to have withdrawals paid as:

20       (1) a lump sum;

21       (2) a direct rollover to another eligible retirement plan; or

22       (3) if the member has attained normal retirement age, a monthly  
23       annuity in accordance with the rules of the board.

24      (c) The board may establish a minimum account balance or a  
25      minimum monthly payment amount in order for a member to select the  
26      monthly annuity option. The board shall establish the forms of annuity  
27      by rule, in consultation with the board's actuary. The board shall give  
28      members information about these forms of payment and any  
29      information required by federal law to accompany such distributions.

30      (d) Unless otherwise required by federal or state law, the  
31      requirements and rules that apply to the distribution of the annuity



- 1 savings account apply to distributions from a member's account.

